

## Message Text

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70

ORIGIN XMB-07

INFO OCT-01 NEA-14 ISO-00 SP-03 AID-20 EB-11 NSC-07 RSC-01

CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 CIAE-00

INR-10 NSAE-00 L-03 IGA-02 H-03 /115 R

66611

DRAFTED BY: EXIM:WJCASEY:PW/WW

APPROVED BY: EB/CBA-DNSEARBY

XMB:WJCASEY

NEA/ARP:BWRAMPMEIR

EB/IFD/ODF-EMLINTON

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R 132147Z MAY 74

FM SECSTATE WASHDC

TO AMEMBASSY JIDDA

UNCLAS STATE 098932

FOR AMBASSADOR AKINS FROM CASEY

E.O. 11652: NA

TAGS: EGEN, SA

SUBJECT: VISIT OF CHAIRMAN CASEY, EXIMBANK, TO SAUDI ARABIA

REF: STATE 91078

DURING FORTHCOMING VISIT EXIMBANK CHAIRMAN CASEY WANTS TO EXPLORE POSSIBILITY OF COOPERATION BETWEEN EXIMBANK FINANCING CAPABILITIES AND SAUDI ARABIA'S INVESTMENT AND INDUSTRIAL DIVERSIFICATION INTERESTS. CASEY BELIEVES SEVERAL AREAS OF POSSIBLE COOPERATION SHOULD BE EXPLORED:

1. PROJECTS IN SAUDI ARABIA. EXIMBANK WOULD LIKE TO INCREASE U.S. EXPORTS TO SAUDI ARABIA. WANT TO PRESENT FOR REVIEW SUBSTANTIAL LIST OF SPECIFIC INDUSTRIALIZATION PROJECTS FOR WHICH EXIMBANK HAS DEVELOPED FINANCING PACKAGES. THESE PROJECTS UNCLASSIFIED

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AND EXIMBANK'S FINANCING EXPERIENCE AND KNOW-HOW MAY INDICATE

PROJECTS WHICH SAUDIS MAY WANT TO CONSIDER THERE WITH OR WITHOUT EXIMBANK FINANCING.

2. EXIMBANK'S NORMAL FINANCING PATTERN IS 10 PERCENT CASH, 45 PERCENT EXIMBANK LOAN AT 7 PERCENT, AND 45 PERCENT LOAN FROM OTHER SOURCES AT MARKET RATE OF INTEREST. NON-EXIMBANK LOAN MAY OR MAY NOT BE GUARANTEED BY EXIMBANK DEPENDING ON CIRCUMSTANCES OF TRANSACTION. IN VIEW OF FINANCIAL STRENGTH OF SAUDI ARABIA, EXIMBANK WANTS TO EXPLORE VARIATIONS IN THAT PATTERN IN SAUDI ARABIA AND ELSEWHERE WHICH MIGHT PROVIDE INVESTMENT RETURN FOR SAUDI ARABIA AND CONSERVE EXIMBANK FUNDS.

3. PROJECTS IN THIRD COUNTRIES. EXIMBANK ALSO WOULD LIKE TO EXPLORE WAYS OF RELATING ITS FINANCING TO ACTUAL AND POTENTIAL SAUDI FINANCIAL INTERESTS IN OTHER COUNTRIES. FOR EXAMPLE, RECENT EXIMBANK FINANCING OF AIRPLANES FOR SUDAN WAS MADE POSSIBLE BY SAUDI GUARANTEE OF SUDANESE EURO-CURRENCY BORROWING. PROJECTS IN WHICH EXIMBANK MAY BE INTERESTED MIGHT BE FINANCED WITH SAUDI PARTICIPATION IN A MANNER WHICH WOULD PROVIDE SAUDI ARABIA WITH INVESTMENT RETURN, CONSERVE EXIMBANK FUNDS, GENERATE U.S. EXPORTS AND MAKE SIGNIFICANT DEVELOPMENT CONTRIBUTIONS TO THIRD COUNTRIES. SOME COUNTRIES OF PARTICULAR INTEREST TO SAUDI ARABIA HAVE SUBSTANTIAL DEVELOPMENT PROGRAMS WHICH EXCEED EITHER THE AVAILABILITY OF EXIMBANK FUNDS OR THE ABILITY OF BORROWER TO PROVIDE SUFFICIENT ASSURANCE OF REPAYMENT TO SATISFY EXIMBANK'S LEGAL REQUIREMENTS. SAUDI ARABIA MIGHT HAVE AN INVESTMENT, POLITICAL, OR OTHER INTEREST IN PARTICIPATING OR GUARANTEEING SOME OF THIS FINANCING.

4. EXIMBANK SHOULD ACQUIRE SUFFICIENT UNDERSTANDING OF OBJECTIVES, PROCEDURES AND POLICIES OF GOVERNMENT FINANCE INSTITUTIONS, ISLAMIC DEVELOPMENT BANK, OTHER MULTILATERAL INSTITUTIONS AND PRIVATE LENDERS TO DETERMINE WHERE AND HOW EXIMBANK CAN WORK WITH THESE INSTITUTIONS TO MUTUAL ADVANTAGE.

5. CASEY PLEASED TO ACCEPT OFFER TO STAY AT AMBASSADOR'S RESIDENCE. RUSH

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
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**Current Classification:** UNCLASSIFIED  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** VISIT OF CHAIRMAN CASEY, EXIMBANK, TO SAUDI ARABIA  
**TAGS:** EGEN, SA, XMB, (CASEY, WILLIAM J)  
**To:** JIDDA  
**Type:** TE  
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